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Media Release

ALSO reaffirms positive development

In the first nine months of fiscal year 2014, the ALSO Group achieved good results. Compared to the previous year, net sales rose from 4 569.4 to 5 021.6 million euros (+9.9 percent) and net profit from 25.7 to 30.8 million euros (+19.8 percent). Profit before taxes (EBT) improved by 14.9 percent to 44.6 million euros. "The result indicates continuation of a steady upward development which confirms our MORE strategy", states Gustavo Möller-Hergt, CEO of ALSO Holding AG.

ICT market

According to the CONTEXT market research institute, in the third quarter of 2014, the value of the ICT distribution market in the regions that are relevant for ALSO (excluding the Baltics and Netherlands) grew by 4.5 percent compared to the previous year. The development was positive in both the Central Europe market segment (+3.6 percent) and the Northern/Eastern Europe market segment (+8.6 percent).

Development of the individual market segments

In the Central Europe market segment, net sales increased by 10.5 percent compared to the previous year, to 3 935.4 million euros. The sales growth came mainly from the acquisition of Alpha International B.V., Netherlands, and the pleasing development of the core market, Germany. Profit before taxes (EBT) fell from 40.8 million euros to 38.2 million euros. At 1.0 percent, the EBT margin in the first nine months was lower than last year (1.1 percent). The result was negatively affected by continuing pressure on prices in France and Switzerland.

In the Northern/Eastern Europe market segment, net sales rose by 6.0 percent compared to the previous year, to 1 186.9 million euros. The growth was driven by the positive development in Retail and a strong demand for mobile telephones. Profit before taxes (EBT) rose from -0.5 million euros to +8.0 million euros. This was mainly achieved through the successful restructuring of Finland. At 0.7 percent, the EBT margin in the first nine months was substantially higher than last year (0.0 percent). In this region, ALSO could further expand its market and competitive position at the same time as increasing its margin.

Outlook for 2014

ALSO reaffirms its forecast for fiscal year 2014 and – barring unforeseeable events – expects a Group net profit of 50 to 55 million euros. "In view of the good results for the first nine months and the traditionally strong fourth quarter, our target corridor remains unchanged", comments Gustavo Möller-Hergt.

Direct link: <http://www.also.com/goto/20141028en>

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ALSO Holding AG (Emmen/Switzerland) is a leading European full-range provider for the ICT industry and offers its customers the complete bandwidth, from the supply chain through solutions to services. ALSO's portfolio contains more than 160 000 articles from around 350 vendors. Offerings in the Solutions segment include, for example, high-end servers, storage, security systems, and networks, and in the Service segment, standardized and individual services along the entire IT process chain. ALSO employs around 3,150 employees throughout Europe. In fiscal year 2013 (closing on December 31), the company generated net sales of 6.5 billion euros and Group net profit of 50.1 million euros. The majority shareholder of ALSO Holding AG is the Droege Group, Düsseldorf, Germany. Further information is available at www.also.com.

Disclaimer

This press release contains forward-looking statements which are based on current assumptions and forecasts of the ALSO management. Known and unknown risks, uncertainties, and other factors could lead to material differences between the forward-looking statements made here and the actual development, in particular the results, financial situation, and performance of our Group. The Group accepts no responsibility for updating these forward-looking statements or adapting them to future events or developments.

Selected key figures – Statement of comprehensive income

Mio EUR	Jan - Sep 2014		Jan - Sep 2013		Change
Total net sales	5021.6	100.0 %	4569.4	100.0 %	9.9 %
Cost of goods sold and services provided	-4700.6	-93.6 %	-4268.8	-93.4 %	10.1 %
Gross margin	321.0	6.4 %	300.6	6.6 %	6.8 %
Operating expenses	-244.6	-4.9 %	-231.9	-5.1 %	5.5 %
EBITDA	76.4	1.5 %	68.7	1.5 %	11.2 %
Depreciation and amortization	-20.3	-0.4 %	-19.4	-0.4 %	4.6 %
Operating profit (EBIT)	56.1	1.1 %	49.3	1.1 %	13.8 %
Financial result	-11.7	-0.2 %	-10.5	-0.2 %	9.5 %
Share of income of associates	0.2	0.0 %	0.0	0.0 %	
Profit before tax (EBT)	44.6	0.9 %	38.8	0.8 %	14.9 %
Income taxes	-13.8	-0.3 %	-13.1	-0.3 %	5.3 %
Net profit Group	30.8	0.6 %	25.7	0.6 %	19.8 %
Cash flow*	51.1		45.1		
Cash flow from operating activities	-35.2		42.1		
Net investments in property, plant & equipment	-5.4		-3.4		

* Cash flow: Net profit Group plus depreciation and amortization

Selected key figures – Statement of financial position

Mio EUR	09.30.2014		12.31.2013		09.30.2013	
Cash and cash equivalents	5.9	0.4 %	41.6	2.8 %	25.8	1.9 %
Other current assets	1404.5	84.9 %	1210.1	81.1 %	1082.4	79.9 %
Non-current assets	244.1	14.7 %	241.1	16.1 %	245.9	18.2 %
Total assets	1654.5	100.0 %	1492.8	100.0 %	1354.1	100.0 %
Current liabilities	999.0	60.4 %	932.2	62.4 %	813.3	60.1 %
Non-current liabilities	222.8	13.4 %	139.3	9.4 %	142.6	10.5 %
Equity	432.7	26.2 %	421.3	28.2 %	398.2	29.4 %
Total liabilities and equity	1654.5	100.0 %	1492.8	100.0 %	1354.1	100.0 %

Selected segment information

Mio EUR	Central Europe Jan - Sep		Northern/Eastern Europe Jan - Sep		Adjustments Jan - Sep		Group Jan - Sep	
	2014	2013	2014	2013	2014	2013	2014	2013
Total net sales	3935.4	3561.4	1186.9	1119.5	-100.7	-111.5	5021.6	4569.4
EBITDA	62.9	63.7	12.6	4.7	0.9	0.3	76.4	68.7
As % of net sales	1.6 %	1.8 %	1.1 %	0.4 %			1.5 %	1.5 %
Profit before tax (EBT)	38.2	40.8	8.0	-0.5	-1.6	-1.5	44.6	38.8
As % of net sales	1.0 %	1.1 %	0.7 %	0.0 %			0.9 %	0.8 %
Full-time equivalent positions on reporting date (excluding temporary employees)	2437	2292	835	847	101	95	3373	3234